

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE QIAO XING SECURITIES LITIGATION

This Document Relates to:

ALL ACTIONS

**ELECTRONICALLY FILED**

MASTER FILE  
07 Civ. 7097 (DLC)

**MEMORANDUM OF PLAINTIFF LAWRENCE MALLY CONCERNING  
REPRESENTATION OF QIAO XING UNIVERSAL TELEPHONE, INC.  
OPTIONS TRADERS**

This is a securities class action brought on behalf of purchasers of Qiao Xing Universal Telephone, Inc. (“Qiao Xing”) securities, including purchasers of common stock and call options. On October 26, 2007, at a hearing before the Court concerning the appointment of lead plaintiff and lead counsel, Lawrence Mally (“Mally”), through his counsel, requested that the Court permit Mally to serve as a representative party in this action on behalf of purchasers of Qiao Xing call options. On November 1, 2007, the Court ordered that Mally may submit briefing as to whether an additional named plaintiff is necessary in order to ensure that the interests of those who traded in Qiao Xing options are adequately represented. (Docket Entry 27).

Upon further review of the proceedings before the Court and the relevant case law on this issue, Mally has concluded that at this juncture in the proceedings it is sufficient for him to await further proceedings in this action to determine whether his participation is, in fact, necessary. If at a later stage in this action, including at the motion to dismiss or class certification stage, a Defendant seeks to dismiss the claims on behalf of purchasers of call options because the court appointed lead plaintiff – Pelo a.s. – lacks standing to assert such claims, or for any other reason, Mally reserves the right to present himself as a representative of purchasers of Qiao Xing call options, including as a class representative.

DATED: November 16, 2007

Respectfully submitted,

KAPLAN FOX & KILSHEIMER LLP

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*Attorneys for Plaintiff Lawrence Mally*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on November 16, 2007, I caused to be electronically filed the foregoing paper with the Clerk of the Court using the ECF System which will electronically send notification of such filing to the registered participants and paper copies will be sent via first-class mail postage pre-paid to those indicated as non-registered participants on November 16, 2007.

/s/ Jeffrey P. Campisi  
Jeffrey P. Campisi

November 16, 2007